

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2013- 15- C
January 29, 2015

IN RE: Application of Nexus Communications,)
 Inc. for Designation as a Wireless) **STIPULATION**
 Eligible Telecommunications Carrier for)
 Low Income Support Only)

This Stipulation is made by and among the South Carolina Office of Regulatory Staff (“ORS”) and Nexus Communications, Inc. (“Nexus” or the “Company”) (collectively referred to as the “Parties” or sometimes individually as a “Party”).

WHEREAS, on December 31, 2012, Nexus filed its Application requesting Designation as a Wireless Eligible Telecommunications Carrier (“ETC”) in the State of South Carolina;

WHEREAS, ORS has reviewed the Application and the (verified) testimony of Steven Fenker, the latter of which was filed on February 28, 2013;

WHEREAS, Nexus operates its wireless business under the name ReachOut Wireless;

WHEREAS, Nexus is seeking wireless ETC Designation throughout South Carolina service areas for the purpose of receiving federal low-income universal service support for prepaid wireless service, specifically Lifeline;

WHEREAS, as a result of its investigation, ORS has determined that subject to the provisions set forth below, Nexus’ request for designation as an ETC should be approved;

WHEREAS, Nexus filed a compliance plan with the Federal Communications Commission ("FCC"), and agrees to comply with the requirements and conditions set out in the approved FCC compliance plan ("Compliance Plan"); and

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

1. Nexus is a commercial mobile radio service ("CMRS") provider, proposing to offer prepaid wireless Lifeline service as an ETC in South Carolina.
2. Nexus has requested wireless, Lifeline-only ETC designation in South Carolina.
3. Nexus provides its prepaid wireless Lifeline and non-Lifeline services by reselling the wireless services of an underlying carrier, which provides wholesale capacity to many wireless resellers. The underlying carrier will provide Nexus with the wireless infrastructure and wireless transmission facilities needed for Nexus to offer services as a Mobile Virtual Network Operator ("MVNO"). Nexus will rely on Verizon Wireless to provide wireless services to both its Lifeline and non-Lifeline wireless services. Nexus will offer its Lifeline Wireless Service under the brand names "ReachOut Wireless".
4. Nexus has limited its requested Universal Service Fund ("USF") support to the Federal USF low income support program. Nexus certifies that all low income USF funding it receives will be used to provide a credit to its Lifeline eligible customers, consistent with 47 C.F.R. 54.403.
5. The Company's Compliance Plan, as approved by the FCC, is attached to and incorporated in this Stipulation. Nexus agrees to comply with all terms and conditions of the attached FCC approved Compliance Plan. Any changes or modifications to the Company's FCC

approved Compliance Plan must be filed with the Public Service Commission of South Carolina (“Commission”), with a copy to ORS, within five (5) days of filing at the FCC.

6. Nexus agrees to advertise the availability of Lifeline using media of general distribution.

7. Nexus is to offer Lifeline credits consistent with the rates, terms, and conditions contained in its rate schedules and website and will publish the availability and the pricing of these same offerings in an easily accessible form on its website or through a public forum accessible by Lifeline eligible low income consumers.

8. Until modified by the Commission, Nexus agrees to utilize the means test established by the FCC and set forth in 47 C.F.R. 54.409.

9. Nexus agrees to notify the Commission and the Office of Regulatory Staff ten (10) days in advance of any changes to its Lifeline rates in South Carolina, or the pricing, or changes in pricing of any additional minute plans offered to South Carolina Lifeline customers.

10. Nexus agrees to advertise on its website its rate plans and the price for additional minutes of use. Advertised rate plans to be consistent with schedules set forth on Pages 5 through 7 of the Compliance Plan; Advertised prices for additional minutes of use to be consistent with those set forth in paragraph 11.

11. Nexus agrees that Lifeline subscribers may purchase additional minutes on a prepaid basis in denominations of \$3.00 (30 minutes), \$5.00 (50 minutes), \$10.00 (120 minutes), \$20.00 (300 minutes), \$30.00 (500 minutes), and \$50.00 (950 minutes). Nexus acknowledges and agrees that certain rates contained in this Paragraph have been reduced from those rates contained in the Application and the Verified Testimony of Steven Fenker, and that the rates

contained in this Paragraph are those that will be offered and provided to customers in South Carolina should the Commission grant the designations sought herein.

12. Nexus agrees to provide Lifeline customers the federal lifeline credit of \$9.25 per month, consistent with 47 C.F.R. 54.403. In addition, Nexus agrees to provide all South Carolina Lifeline customers with a company funded \$3.50 credit. The Company may fulfill this commitment by offering a South Carolina Lifeline plan that provides 250 minutes of voice and text service without rollover and 125 voice and text with rollover at a monthly cost of \$0.00 in addition to Lifeline optional plans consistent with the plans outlined in the Company's FCC Approved Compliance plan. In the event the Commission, the FCC, or a court of competent jurisdiction issues a decision that a credit of \$3.50 is not required to be provided by ETCs to South Carolina Lifeline customers, the Parties agree that this Agreement will be modified to reflect that ruling.

13. Nexus agrees to allow qualifying low-income consumers to apply all applicable Lifeline discounts to any residential service plan that includes voice telephony service, including bundled packages of voice and data services; and plans that include optional calling features such as, but not limited to, caller identification, call waiting, voicemail, and three-way calling. Nexus may also permit qualifying low-income consumers to apply their Lifeline discount to family shared calling plans.

14. Nexus agrees that it will abide by all advertising, reporting and verification requirements established by the FCC and the Commission.

15. Nexus agrees to provide ORS any FCC Citations issued against the Company's Lifeline South Carolina customers, within five (5) days of notice to the Company by the FCC of the customer citation.

16. Nexus agrees that it will not seek reimbursement from the Federal USF for resold services where the Company receives the Lifeline credits through an underlying carrier.

17. Nexus agrees to file all reports requested by ORS or the Commission, including but not limited to: the "Telecommunications Company Annual Report," the "Authorized Utility Representative Form," the "Gross Receipts Form," and the "USF Worksheet." All of which may be found on the ORS website at www.regulatorystaff.sc.gov in the telecommunications forms and resources section.

18. Nexus agrees to file with the ORS a certified true copy of its Form 481, Form 497, and Form 555 filed with the Universal Service Administrative Company ("USAC"), including revisions thereto, no later than five (5) calendar days after the Form or revision is filed with USAC.

19. If the designations sought herein are granted, Nexus agrees to pay the annual gross receipts assessment in accordance with S.C. Code § 58-3-100 and S.C. Code § 58-4-60.

20. Nexus does not distinguish in the pricing of toll and non-toll calls. Should Nexus change its business model to include toll services, Nexus agrees to offer a toll blocking and/or limitation option without charge for Nexus Lifeline service at that time.

21. Nexus agrees to waive any and all activation fees for Lifeline customers.

22. Nexus agrees to implement or to participate in a program for initial certification and annual verification that insures that an eligible Lifeline customer only receives one Lifeline credit per residential address and must conform with its Compliance Plan on file with the FCC and 47 C.F.R. 54-410.

23. Nexus agrees to provide E911 compliant handsets to new Lifeline customers and replace any non-compliant handsets for its existing customers who are approved as Lifeline customers as part of its Basic Lifeline Service Plans at no charge.

24. Nexus agrees to distribute an informational card or brochure with the handset that provides the Lifeline customer with the Company name and contact information for the Company. The card or brochure will include a phone number providing access to Company service representatives without charge or deduction of minutes from the customers' minutes of use allowance.

25. If the designations sought herein are granted, Nexus will be supporting Universal Service in South Carolina based on its total South Carolina retail end user revenues, and must submit all documentation and Universal Service fees required by South Carolina.

26. Nexus agrees to submit a quarterly report to ORS demonstrating the number of Lifeline customers who have been deactivated by Nexus during the quarter due to: (1) non-payment on their customer account during two consecutive 30-day periods; (2) customer failure to comply with or pass the annual verification requirement; or (3) voluntary customer-requested deactivation. In addition, consistent with the annual reporting commitments contained in its approved Compliance Plan, Nexus agrees to file state specific reports with ORS.

27. Nexus agrees that ORS may examine the Company's records and documentation to ensure that the universal service support the Company receives is being used for the purpose for which it was intended. Nexus is required to provide such records and documentation to ORS upon request. Nexus agrees that if it fails to fulfill the requirements of the Act, the Commission's rules, or the terms of this agreement after it begins receiving universal service

support, the Commission or ORS may exercise its authority to seek revocation of Nexus's ETC designation.

28. Nexus agrees that its ETC designation is non-transferrable to new owners and is cancelled upon discontinuance of provision of service unless otherwise authorized by the Commission.

29. Nexus shall comply with all applicable state and federal laws, rules, and regulations regarding ETC designation and reporting requirements. More specifically, Nexus agrees to abide by the Commission regulations regarding designation of an ETC found in 10 S.C. Code Ann. Regs. 103-690 (2013) as well as requirements set out by the FCC for ETC designation and for participation in the Lifeline program (e.g. FCC Regulation Subpart E – Universal Service Support for Low-Income Consumers).

30. Subject to the provisions set forth herein, ORS does not oppose the Application of Nexus for designation as an eligible telecommunications carrier.

31. ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10(B) (Supp. 2012). S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

...‘public interest’ means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Stipulation reached among the Parties serves the public interest as defined above.

32. The Parties agree to advocate that the Commission accept and approve this Stipulation in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and that the Commission take no action inconsistent with its adoption. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Stipulation be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Stipulation and the terms and conditions contained herein.

33. The Parties represent that the terms of this Stipulation are based upon full and accurate information known as of the date this Stipulation is executed. If, after execution, either Party is made aware of information that conflicts with, nullifies, or is otherwise materially different than that information upon which this Stipulation is based, either Party may withdraw from the Stipulation with written notice to the other Party.

34. The Parties agree that signing this Stipulation will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Stipulation in its entirety, then any Party desiring to do so may withdraw from the Stipulation in its entirety without penalty or obligation.

35. This Stipulation shall be interpreted according to South Carolina law.

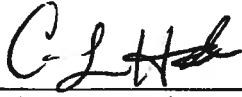
36. The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Stipulation by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures

shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Stipulation. The Parties agree that in the event any Party should fail to indicate its consent to this Stipulation and the terms contained herein, then this Stipulation shall be null and void and will not be binding on any Party.

[PARTY SIGNATURES TO FOLLOW ON SEPARATE PAGES]

Exhibit A
Docket No. 2013-15-C
Order No. 2015-127
February 24, 2015

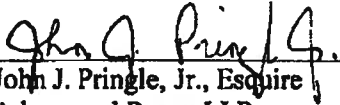
Representing the South Carolina Office of Regulatory Staff



Lessie Hammonds, Esquire
South Carolina Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, South Carolina 29201
Tel.: (803) 737-0803
Fax: (803) 737-0895
Email: lhammond@regstaff.sc.gov

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Representing Nexus Communications, Inc.



John J. Pringle, Jr., Esquire
Adams and Reese LLP
1501 Main Street, 5th Floor
Columbia, SC 29201
Direct 803-343-1270
E-Fax 803-343-1238
Jack.Pringle@arlaw.com